

Message Text

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AID-05 CIAE-00 COME-00 INR-07 IO-14 LAB-04

NSAE-00 OIC-02 SIL-01 STR-05 TRSE-00 CEA-01 SS-15

PRS-01 NSC-05 /150 W

-----002355 081921Z /42

R 081520Z NOV 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 2805

INFO UNCTAD COLLECTIVE

BAGHDAD BEIRUT DJIBOUTI MOGADISCIO

UNCLAS SECTION 01 OF 05 GENEVA 09980

E.O. 11652: N/A

TAGS: UNCTAD ETRD

SUBJECT: COMMON FUND NEGOTIATING CONFERENCE

FOLLOWING ARE TEXTS OF: A) GROUP B OPENING STATEMENT
DELIVERED BY SPOKESMAN BARRASS (UK) - NOVEMBER 7; AND
B) GROUP B PROPOSAL:

A) GROUP B OPENING STATEMENT: "MR. CHAIRMAN,
1. ON TAKING THE FLOOR FOR THE FIRST TIME AT THE
BEGINNING OF THIS RESUMED SESSION OF THE NEGOTIATING
CONFERENCE ON A COMMON FUND ALLOW ME - ON BEHALF OF THE
STATES MEMBERS OF GROUP B - TO WELCOME YOU BACK TO YOUR
DISTINGUISHED OFFICE.

2. GROUP B HAS LISTENED ATTENTIVELY TO THE OPENING
STATEMENTS WHICH YOU AND THE SECRETARY-GENERAL OF UNCTAD
HAVE MADE. FOR OUR PART WE CAN ASSURE YOU THAT WE SHALL
DO ALL WE CAN TO BRING THE WORK OF THIS CONFERENCE
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TOWARDS A SUCCESSFUL CONCLUSION. THE PRESENCE HERE
TODAY, MR. CHAIRMAN, FROM ALL GROUPS OF SO MANY DELEGATES
WHO TOOK PART IN THE FIRST SESSION OF THIS CONFERENCE
CAN ONLY MAKE OUR TASK EASIER.

3. AT THE CONCLUSION OF THE CONFERENCE ON INTERNATIONAL
ECONOMIC COOPERATION IN PARIS IN JUNE OF THIS YEAR THE

PARTICIPATING COUNTRIES AGREED THAT A COMMON FUND SHOULD BE ESTABLISHED AS A NEW ENTITY TO SERVE AS A KEY INSTRUMENT IN ATTAINING THE AGREED OBJECTIVES OF THE INTEGRATED PROGRAMME FOR COMMODITIES AS EMBODIED IN UNCTAD RESOLUTION 93 (IV).

4. THEY ALSO AGREED THAT ITS SPECIFIC PURPOSES AND OBJECTIVES, AS WELL AS ITS OTHER CONSTITUENT ELEMENTS, WOULD CONTINUE TO BE NEGOTIATED IN UNCTAD. MOREOVER, THE PARTICIPATING COUNTRIES IN THE CIEC - ALL THE PARTICIPATING COUNTRIES, MR. CHAIRMAN - PLEDGED THEMSELVES TO SECURE A SUCCESSFUL CONCLUSION AT THIS RESUMED SESSION OF THE CONFERENCE.

5. THIS AGREEMENT, MR. CHAIRMAN, WAS IN TURN ENDORSED BY ALL STATES MEMBERS OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT AT THEIR MINISTERIAL MEETING IN PARIS ON 24 JUNE 1977.

6. AGAINST THE BACKGROUND OF THIS COMMITMENT WE HAVE BEEN WORKING TOGETHER TO PRODUCE POSITIVE PROPOSALS. OUR DISCUSSIONS HAVE BEEN WIDE-RANGING AND HAVE COVERED A VARIETY OF VIEWS. WE HAVE CONSIDERED THE PRO'S AND CON'S OF THESE DIFFERENT APPROACHES. WE HAVE ALSO CONSIDERED PROPOSALS SUBMITTED BY GOVERNMENTS TO THE SECRETARY-GENERAL OF UNCTAD IN ACCORDANCE WITH RESOLUTION 93 (IV) AND HAVE IN MIND NATIONAL STATEMENTS, GROUP STATEMENTS AND POSITION PAPERS WHICH HAVE BEEN TABLED. WE HAVE DISCUSSED TECHNICAL PROBLEMS AT THE EXPERT LEVEL. FINANCIAL INSTITUTIONS AND CENTRAL BANKS HAVE BEEN CONSULTED. IN THIS WAY WE HAVE SOUGHT TO WORK OUT THE ELEMENTS OF A PRACTICAL AND VIABLE COMMON FUND WHICH WILL REPRESENT AN IMPORTANT STEP FORWARD IN FACILITATING THE FINANCING OF BUFFER STOCKS WITHIN THE FRAMEWORK OF INTERNATIONAL COMMODITY AGREEMENTS, AND WHICH WILL COMMAND THE WIDEST POSSIBLE SUPPORT. WE SHALL BE CIRCULATING POSITIVE PROPOSALS FOR SUCH A FUND LATER TODAY.

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7. AS EVERYONE HERE KNOWS, THERE ARE MANY DIFFICULT PROBLEMS TO BE SOLVED IN WORKING OUT A COMMON FUND. WE MUST FACE UP TO THESE REALITIES. THE PRACTICAL PROBLEMS HAVE TO BE WORKED OUT.

8. OUR PROPOSAL WILL, I BELIEVE, MR. CHAIRMAN, COMMAND THE DEGREE OF SUPPORT FROM THE INTERNATIONAL COMMUNITY AS A WHOLE WHICH IS ESSENTIAL FOR THE SUCCESSFUL ESTABLISHMENT OF A COMMON FUND. IT WILL COMMAND THAT

SUPPORT BECAUSE IT ADHERES FIRMLY TO THE ELEMENTS WHICH,
WE BELIEVE, MUST BE THE FOUNDATION OF SUCH A FUND.

9. THERE ARE FOUR MAIN POINTS I SHOULD LIKE TO MAKE
ABOUT THE COMMON FUND WHICH GROUP B ENVISAGES: -

FIRST - BY MAKING AN IMPORTANT CONTRIBUTION TO
BUFFER STOCK FINANCING THROUGH INTERNATIONAL COMMODITY
AGREEMENTS, THE FUND WILL BE A KEY INSTRUMENT IN ATTAINING
THE AGREED OBJECTIVES OF THE INTEGRATED PROGRAMME. FROM
THE ASSETS WHICH IT WILL HOLD AND THROUGH THE BORROWING
IT WILL BE EQUIPPED TO UNDERTAKE THE COMMON FUND WILL BE
ABLE TO PLAY AN IMPORTANT ROLE IN SUPPORTING THE FINANCING
OF INTERNATIONAL COMMODITY AGREEMENTS - AND THEREBY WILL
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FACILITATE THE CONCLUSION OF NEW COMMODITY AGREEMENTS -

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PRS-01 NSC-05 /150 W

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FM USMISSION GENEVA
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C O R R E C T E D C O P Y (TEXT--PARA TEN)

AGREEMENTS OF SPECIAL INTEREST TO DEVELOPING COUNTRIES.

SECOND - AS A NEW EXPRESSION OF INTERNATIONAL

SOLIDARITY IN THE INTEGRATED COMMODITY PROGRAMME, THE COMMON FUND WILL BE BASED ON A PATTERN OF MUTUAL ASSISTANCE BETWEEN THE INTERNATIONAL COMMODITY ORGANIZATIONS FOR THE FINANCING OF THEIR BUFFER STOCKS. IT IS A CENTRAL FEATURE OF AN ACCEPTABLE FUND THAT IT SHOULD OPERATE IN THE FIELD OF BUFFER STOCKING EXCLUSIVELY THROUGH SUCH ORGANIZATIONS.

THIRD - THE FUND WILL OFFER THE COMMODITY ORGANIZATIONS A SIGNIFICANT, PREDICTABLE AND GUARANTEED CONTRIBUTION TOWARDS THE FINANCING OF BUFFER STOCKING OPERATIONS. IT WOULD PROVIDE FINANCIAL ECONOMIES IN COMPARISON WITH SEPARATELY FINANCED BUFFER STOCKS. IT WILL DO SO WITHOUT UNDERMINING THE FINANCIAL DISCIPLINES TO WHICH, IN THE FRAMEWORK OF THE ICA'S, BOTH PRODUCING AND CONSUMING COUNTRIES ARE SUBJECT. THE PRIME RESPONSIBILITY OF THE UNCLASSIFIED

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ICA'S FOR BUFFER STOCK FINANCING WILL BE CENTRAL TO THE SCHEME.

FOURTH - BECAUSE THE FUND WILL DEPEND ON THE GOOD JUDGEMENT OF PRODUCERS AND CONSUMERS ON THE NEED FOR, SIZE AND FINANCING OF INDIVIDUAL BUFFER STOCKS, IT WILL BE - AND WILL BE SEEN TO BE - SOUNDLY BASED. ONLY THUS CAN IT COMMAND THE WIDE INTERNATIONAL CONFIDENCE AND SUPPORT WHICH IS ESSENTIAL IF IT IS TO BE VIABLE AND EFFECTIVE.

10. MR. CHAIRMAN, WE HAVE HEARD A GOOD DEAL IN THE PAST ABOUT THE FUND AS A "POOL" OF FINANCE AND THE FUND AS A "CENTRAL SOURCE" OF FINANCE; ABOUT "POOLING PLUS" AND "SOURCE MINUS", AND ABOUT THE NEED FOR A "CATALYST" IN INTERNATIONAL WORK ON COMMODITY ISSUES. IF WE ARE TO ACHIEVE CONCRETE PROGRESS IN THESE NEGOTIATIONS, I BELIEVE WE MUST AVOID ABSTRACT DEBATES AND MUST ADDRESS OURSELVES INSTEAD TO THE PRACTICAL DETAILS OF THE OPERATIONAL MECHANISM.

11. BUT I WOULD LIKE TO MAKE ONE GENERAL OBSERVATION. THROUGHOUT THE WORK WHICH GROUP B HAS UNDERTAKEN SINCE THE FIRST SESSION OF THIS CONFERENCE, WE HAVE TAKEN FULL ACCOUNT OF THE TWO MAIN CONCEPTS OF THE ROLE AND SCOPE OF A COMMON FUND, WHICH HAVE BECOME KNOWN AS THE "POOL" APPROACH AND THE "SOURCE" APPROACH. OUR PROPOSAL CONTAINS ELEMENTS DRAWN FROM EACH OF THOSE APPROACHES FOR A COMMON FUND SUCH AS WOULD COMMAND THE NECESSARY SUPPORT FROM THE INTERNATIONAL COMMUNITY AS A WHOLE, AND AVOID THE SORT OF POLARIZATION WHICH WE CONSIDER WOULD IMPAIR THE PROSPECTS OF ACCEPTANCE. WE TRUST THAT ALL CONCERNED

WILL BE PREPARED TO WORK ALONG THE LINES SUGGESTED AS A
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BASIS FOR THE NEGOTIATIONS WHICH LIE AHEAD. WE FIRMLY
BELIEVE THAT THEY PROVIDE A PRACTICAL PATH TOWARDS A
SUCCESSFUL OUTCOME.

12. I WOULD NOW LIKE TO TURN TO MEASURES OTHER THAN
BUFFER STOCKING. GROUP B AGREES THAT SUCH MEASURES HAVE
AN IMPORTANT ROLE IN TERMS BOTH OF COMMODITY POLICY AND
OF THE DEVELOPMENTAL PROCESS; AND ARE ESPECIALLY RELEVANT
TO THE POOREST COUNTRIES AND TO COMMODITIES IN A PERSIST-
ENTLY WEAK MARKET SITUATION. IN MARCH IN OUR PROVISIONAL
POSITION PAPER WE SAID: -

"WHILST FULLY RECOGNIZING THE IMPORTANCE OF
MEASURES OTHER THAN BUFFER STOCKING, THE NEED
AND SCOPE OF A COMMON FUND IN THIS CONTEXT SHOULD
BE FURTHER EXPLORED HAVING DUE REGARD TO THE
INTERNATIONAL MACHINERY WHICH CURRENTLY
SUPPORTS SUCH MEASURES. IF OTHER MEASURES
ARE TO BE FINANCED THROUGH A COMMON FUND,
THE ACCOUNT FOR SUCH FINANCING SHOULD BE
KEPT SEPARATE FROM THAT OF BUFFER STOCK
FINANCING."

13. WE HAVE BEEN EXAMINING THESE ISSUES FURTHER IN
RELATION TO THE RESUMED COMMON FUND NEGOTIATIONS. ON
THE BASIS OF THIS EXAMINATION IT IS CLEAR THAT A CON-
SIDERABLE VOLUME OF ACTIVITY IS ALREADY BEING UNDERTAKEN
BY THE EXISTING INTERNATIONAL FINANCIAL INSTITUTIONS
AND ON A BILATERAL BASIS. OUR EXPECTATION IS THAT THIS
WILL CONTINUE TO EXPAND AS AN ESSENTIAL ELEMENT IN THE
BALANCED DEVELOPMENT OF THE WORLD ECONOMY. AGAINST
THIS BACKGROUND, TAKING INTO ACCOUNT INCREASES IN
RESOURCES ALREADY IN PROSPECT, WE ARE READY TO CONSIDER
WITH OTHER GROUPS WHETHER A CASE CAN BE ESTABLISHED
FOR ANY IMPROVEMENTS IN EXISTING INTERNATIONAL ARRANGE-
MENTS FOR THE SUPPORT OF OTHER MEASURES, INCLUDING ANY
POSSIBLE ROLE FOR THE COMMON FUND.

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PRS-01 NSC-05 /150 W
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R 081520Z NOV 77
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14. THERE IS ONE FURTHER IMPORTANT GROUP OF ISSUES TO WHICH I WOULD LIKE TO REFER BRIEFLY - THE FUND'S MEMBERSHIP, ORGANIZATION AND DECISION-MAKING PROCEDURES. WE BELIEVE THAT FINAL DECISIONS ON THESE ISSUES WILL ONLY BE POSSIBLE WHEN AGREEMENT HAS BEEN REACHED ON THE FUND'S FINANCIAL STRUCTURE AND MODE OF OPERATION. BUT THE ARRANGEMENTS FOR DECISION-MAKING AND MANAGEMENT IN THE FUND ARE THE KEYSTONE OF THE WHOLE STRUCTURE. THEY WILL BE CRUCIAL IN ASSESSING THE ACCEPTABILITY OF THE SCHEME AS A WHOLE. TO TAKE A CONCRETE EXAMPLE: IT IS CLEAR THAT THE FUND'S ABILITY TO BORROW, AND THE AVAILABILITY OF GUARANTEES TO SUPPORT THAT BORROWING, CANNOT BE ASSURED UNLESS ALL CONCERNED ARE SATISFIED THAT THE FUND WILL BE RESPONSIBLY MANAGED, AND THAT DECISIONS WILL BE TAKEN ON A BASIS WHICH SAFEGUARDS THE INTERESTS OF ALL PARTICIPANTS.

15. OUR AIM IN THESE RESUMED NEGOTIATIONS, MR. CHAIRMAN, IS TO GIVE PRACTICAL EFFECT TO THE COMMITMENT TO ESTABLISH A COMMON FUND. THE FUND WILL BE A NEW DEVELOPMENT IN INTERNATIONAL RELATIONS. THE NOVELTY OF THE
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COURSE ON WHICH WE ARE EMBARKED UNDERLINES THE NEED FOR REALISM IN WHAT WE SEEK TO ACHIEVE. THE PRIORITY TASK IS TO ESTABLISH A FUND ON A BASIS WHICH ALL OUR GOVERNMENTS CAN SUPPORT. SUCH A CONSENSUS, MR. CHAIRMAN, IS

WHAT GROUP B'S PROPOSALS ARE DESIGNED TO ACHIEVE."

B) GROUP B PROPOSAL:

"ELEMENTS FOR THE BASIS OF A COMMON FUND: PROPOSAL
SUBMITTED BY COUNTRIES MEMBERS OF GROUP B
INTRODUCTION -

1. NEGOTIATIONS ON A COMMON FUND HAVE RESUMED IN THE
LIGHT OF THE AGREEMENT REACHED AT THE CONFERENCE ON
INTERNATIONAL ECONOMIC COOPERATION THAT: -

"A COMMON FUND SHOULD BE ESTABLISHED AS A
NEW ENTITY TO SERVE AS A KEY INSTRUMENT IN
ATTAINING THE AGREED OBJECTIVES OF THE
INTEGRATED PROGRAMME FOR COMMODITIES AS
EMBODIED IN UNCTAD RESOLUTION 93 (IV)" AND
THAT "THE SPECIFIC PURPOSES AND OBJECTIVES
OF A COMMON FUND, AS WELL AS ITS OTHER
CONSTITUENT ELEMENTS, WILL CONTINUE TO BE
NEGOTIATED IN UNCTAD."

2. THE PURPOSE OF THE RESUMED NEGOTIATIONS SHOULD BE TO
GIVE PRACTICAL EFFECT TO THIS COMMITMENT, BY ACHIEVING
CONSENSUS ON THE ELEMENTS OF A COMMON FUND WHICH WILL BE
ECONOMICALLY AND FINANCIALLY VIABLE, EFFECTIVE AND
ACCEPTABLE TO A WIDE RANGE OF DEVELOPED AND DEVELOPING
COUNTRIES.

3. THIS PAPER SHOULD BE READ IN CONJUNCTION WITH THE
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PAPER (TD/IPC/CF/L3) SUBMITTED BY GROUP B AT THE FIRST
SESSION OF THE CONFERENCE IN MARCH.

OBJECTIVES AND PURPOSES -

4. A COMMON FUND WOULD FUNCTION AS A KEY INSTRUMENT
IN ATTAINING THE AGREED OBJECTIVES OF THE INTEGRATED
PROGRAMME, BY SERVING THE FOLLOWING OBJECTIVES AND
PURPOSES: -

(A) TO FACILITATE THE FINANCING OF BUFFER STOCKS
OPERATED BY INTERNATIONAL COMMODITY AGREEMENTS (ICA'S)
NEGOTIATED BY PRODUCERS AND CONSUMERS BY:

(I) REDUCING THE TOTAL FINANCIAL RESOURCES
WHICH COUNTRIES MEMBERS OF ICA'S THEMSELVES HAVE TO
MOBILIZE; AND

(II) MINIMIZING THE OVERALL COSTS OF RAISING

THE FINANCIAL RESOURCES REQUIRED FOR BUFFER STOCKING;
AND THEREBY

(B) TO FACILITATE THE SETTING UP OF INTERNATIONAL
COMMODITY ARRANGEMENTS, PARTICULARLY THOSE COVERING
COMMODITIES OF SPECIAL INTEREST TO DEVELOPING COUNTRIES.

5. THE ICA'S WILL ESTABLISH THE PRICE RANGES REQUIRED
TO ACHIEVE THEIR OBJECTIVES AND WILL SET UPPER LIMITS
ON THE SIZE OF BUFFER STOCKS ON WHICH WILL DEPEND THEIR
MAXIMUM FINANCIAL REQUIREMENTS (MFR). THE ICA'S SHOULD
HAVE PRIMARY RESPONSIBILITY FOR THE NECESSARY FINANCING.
THEY SHOULD BE EXCLUSIVELY RESPONSIBLE FOR OPERATIONS
IN COMMODITY MARKETS.

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MODES OF OPERATION -
A. GENERAL PROVISIONS

6. THE FUND SHOULD BE BASED ON A PATTERN OF MUTUAL
ASSISTANCE BETWEEN ICA'S. ITS MODES OF OPERATION AND
ITS FINANCIAL STRUCTURE SHOULD BE DESIGNED TO ACHIEVE
THE OBJECTIVES SPECIFIED ABOVE.

7. THE FUND SHOULD FUNCTION AS A FINANCIALLY VIABLE
INSTITUTION.

8. THE FUND SHOULD NOT ATTEMPT TO INTERFERE IN THE
POLICY AND OPERATIONAL DECISIONS OF THE COMMODITY

ORGANIZATIONS.

B. INTERNATIONAL BUFFER STOCKS

9. THE FUND SHOULD EXTEND CREDITS TO INTERNATIONAL COMMODITY AGREEMENTS IN SUPPORT OF BUFFER STOCKING OPERATIONS.

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(I) DEPOSITS. EACH ICA ASSOCIATED WITH THE FUND SHOULD ACCEPT AN OBLIGATION TO DEPOSIT IN CASH WITH THE FUND A SIGNIFICANT PERCENTAGE OF ITS MFR (I.E. OF THE FINANCIAL RESOURCES NECESSARY TO CREATE THE STOCK PROVIDED FOR IN THE AGREEMENT IN QUESTION), WHEN SUCH FINANCE WAS NOT NEEDED FOR STOCK PURCHASES.

THE NORMAL REQUIREMENT SHOULD BE FOR ICA'S TO DEPOSIT 75 PERCENT OF THE MFR.

THE ICA'S DEPOSITS SHOULD EARN AN INTEREST RATE CLOSE TO MARKET RATES.

(II) DRAWING RIGHTS. IN RETURN FOR THE DEPOSIT OBLIGATION, ICA'S SHOULD HAVE A GUARANTEED DRAWING RIGHT ON THE COMMON FUND, OVER AND ABOVE THE WITHDRAWAL OF THE SUMS DEPOSITED. THIS SHOULD BE SET AT A LEVEL RELATED TO THE LEVEL OF THE DEPOSIT.

THE NORMAL LEVEL OF CREDIT SHOULD BE 25 PERCENT OF THE MFR.

CREDITS DRAWN BY ICA'S SHOULD BE AVAILABLE ONLY FOR STOCK PURCHASES IN ACCORDANCE WITH THE TERMS OF THE AGREEMENTS CONCERNED; AND SHOULD BE ADEQUATELY SECURED.

THE ICA'S SHOULD PAY ON CREDIT DRAWINGS AN INTEREST RATE CLOSE TO MARKET RATES.

C. SOURCES OF FINANCE

10. OFFSETTING MOVEMENTS IN THE PRICES OF COMMODITIES
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COVERED BY ICA'S ASSOCIATED WITH THE FUND - BY BALANCING

THE FINANCIAL OPERATION CONNECTED WITH THE FORMATION AND LIQUIDATION OF STOCKS - WILL ENABLE THE FUND TO USE DEPOSITS FROM ICA'S IN FINANCIAL SURPLUS TO FINANCE CREDITS TO ICA'S MAKING STOCK PURCHASES.

11. IN ADDITION, IF DRAWINGS ON THE FUND WERE TO EXCEED THE TOTAL FINANCIAL RESOURCES DEPOSITED WITH IT BY THE ICA'S, THE FUND SHOULD BE ABLE TO CALL ON FINANCIAL RESOURCES OVER AND ABOVE DEPOSITS FROM THE ICA'S. THESE RESOURCES SHOULD BE SUBJECT TO A CEILING RELATED TO THE ICA'S TOTAL DRAWING RIGHTS.

12. THE FUND SHOULD OBTAIN SUCH FINANCIAL RESOURCES BY BORROWING ON THE MARKET. ITS BORROWING SHOULD BE SECURED AGAINST:-

(I) WARRANTS ON COMMODITY STOCKS HELD BY THE ICA'S. (THE USE OF SUCH WARRANTS AS SECURITY FOR THE FUND'S BORROWING SHOULD IN NO WAY PREJUDICE THE AUTONOMY OF THE ICA'S IN MANAGING THEIR BUFFER STOCKS).

(II) GOVERNMENT GUARANTEES OR CALLABLE CAPITAL. SUCH GUARANTEES OR CALLABLE CAPITAL SHOULD BE GIVEN TO THE FUND THROUGH THE ICA'S BY THEIR MEMBER GOVERNMENTS. IT IS RECOGNIZED THAT THESE ARRANGEMENTS HAVE IMPLICATIONS FOR THE RESPONSIBILITIES OF PRODUCERS AND CONSUMERS IN PROVIDING, WITHIN THE FRAMEWORK OF THE ICA'S, FOR THEIR NECESSARY FINANCIAL ARRANGEMENTS.

(III) IT WOULD BE FOR THE EXISTING INTERNATIONAL FINANCIAL INSTITUTIONS, SUCH AS THE WORLD BANK, TO CONSIDER WHETHER THEY WOULD BE ABLE AND WOULD WISH TO UNDERTAKE A ROLE IN SUPPORT OF THE FUND'S BORROWING.

D. INTERNATIONALLY COORDINATED NATIONAL STOCKS

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13. IT WILL BE FOR CONSIDERATION WHETHER THE FUND MIGHT HAVE A ROLE IN RESPECT OF ICA'S WHICH PROVIDE FOR INTERNATIONAL COORDINATED NATIONALLY HELD STOCKS.

E. MEASURES OTHER THAN STOCKING

14. MEASURES OTHER THAN BUFFER STOCKING HAVE AN IMPORTANT ROLE IN TERMS BOTH OF COMMODITY POLICY AND OF THE DEVELOPMENT PROCESS: AND ARE ESPECIALLY RELEVANT TO THE POOREST COUNTRIES AND TO COMMODITIES IN A PERSISTENTLY WEAK MARKET SITUATION. GROUP B WILL BE PREPARED TO EXAMINE FURTHER WITH OTHER GROUPS WHETHER THERE ARE DEFICIENCIES IN EXISTING INTERNATIONAL ARRANGEMENTS FOR THE SUPPORT OF "OTHER MEASURES", AND WHAT IMPROVEMENTS, IF ANY, MIGHT BE NEEDED IN THESE ARRANGEMENTS INCLUDING ANY POSSIBLE ROLE FOR THE COMMON FUND.

MEMBERSHIP ORGANIZATION AND MANAGEMENT

15. FINAL DECISIONS ON SUCH ISSUES AS FUND MEMBERSHIP, UNCLASSIFIED

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DECISION-MAKING PROCEDURES AND VOTING RIGHTS WILL ONLY BE POSSIBLE WHEN THE FUND'S FINANCIAL STRUCTURE HAS BEEN FURTHER CLARIFIED IN NEGOTIATION.

16. THE ALLOCATION OF VOTES AND THE DECISION-MAKING PROCEDURE SHOULD ENSURE A SATISFACTORY BALANCE BETWEEN THE VARIOUS FINANCIAL AND ECONOMIC INTERESTS INVOLVED, AND SHOULD ADEQUATELY SAFEGUARD THE INTERESTS BOTH OF COMMODITY PRODUCERS AND CONSUMERS WHETHER DEVELOPING OR DEVELOPED.

17. FUND MANAGEMENT MIGHT BE UNDERTAKEN BY:-

(I) A SMALL PROFESSIONAL SECRETARIAT;

(II) AN EXECUTIVE BOARD, TO WHICH OVERSIGHT OF THE SECRETARIAT AND MANAGEMENT RESPONSIBILITY WOULD BE DELEGATED AND WHICH WOULD BE ELECTED BY:

(III) THE FUND'S PLENARY FORUM, ON WHICH ALL

MEMBERS OF THE FUND WOULD HAVE APPROPRIATE REPRESENTATION.

18. RELATIONS BETWEEN THE FUND AND THE ICA'S AND THE
FUND'S BORROWING OPERATIONS, SHOULD BE DEFINED IN PRECISE
STATUTORY RULES WHICH SHOULD BE APPLIED AUTOMATICALLY."
VANDEN HEUVEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUND ALLOTMENT, MEETINGS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
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Disposition Comment:
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Executive Order: N/A
Errors: N/A
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From: GENEVA
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 678180
Secure: OPEN
Status: NATIVE
Subject: COMMON FUND NEGOTIATING CONFERENCE FOLLOWING ARE TEXTS OF: A) GROUP B OPENING STATEMENT DELIVERED BY SPOKESMAN BARRASS (UK) - NOVEMBER 7;
TAGS: ETRD, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/852ed51f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009